

Billing Code: 4210-67
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

[Docket No. FR-5386-N-14]

Privacy Act of 1974: Notice of new System of Records,

Single Family Computerized Homes Underwriting Management Systems

AGENCY: Department of Housing and Urban Development

ACTION: Revision to the routine uses

SUMMARY: Modified the routine uses to identify the Federal Reserve as a federal agency that receives CHUMS data for statistical research. The Computerized Homes Underwriting Management System supports Housing staff in the processing of single family mortgage insurance applications, from initial receipt through endorsement. F17/CHUMS processes loans for first time homebuyers, Home Equity Conversion Mortgages (HECM), Section 203(k) for the rehabilitation of existing properties, VA Certified FHA loans and other programs. F17/CHUMS also provide automated assistance in appraisal, mortgage credit evaluation, and FHA's TOTAL Scorecard, a standardized credit assessment tool. It supports the conditional commitment process from the Mortgagee's request for property appraisal through issuance of a conditional commitment, firm commitment, endorsement, and the automated production of the Mortgage Insurance Certificate.

DATES: Effective Date: This proposal shall become effective **[Insert 30 days from publication of this notice in the Federal Register]**, unless comments are received on or before that date which would result in a contrary determination.

Comment Due Date: **[Insert 30 days from publication of this notice in the Federal Register].**

ADDRESSES: Office of Single Family Program Development, 451 7th Street SW, Washington, DC 20410.

FOR FURTHER INFORMATION CONTACT: Donna Robinson-Staton, Departmental Privacy Officer, 451 Seventh Street, SW Room 2256, Washington, DC 20410, Telephone Number (202) 402-8047. For Housing information: Bonnie McCloskey, 451 7th Street SW Room 9280, Washington, DC 20410, Telephone Number (202) 402-8138. A telecommunications device for hearing-and speech-impaired persons (TTY) is available at 1-800-877-8339 (Federal Information Relay Services). (This is a toll-free number).

SUPPLEMENTARY INFORMATION:

Title 5 U.S.C. section 552a(e)(4) and (11) provide that the public be given a 30-day period in which to comment on the proposed new system. The Office of Management and Budget (OMB), which has oversight responsibilities under the Act, requires a 30-day period in which to conclude its review of the system. Therefore, please submit any comments by July 31, 2010. In accordance with 5 U.S.C. 552a(r) and OMB Cir. A-130, the Department has provided a report to OMB and the Congress on the proposed modification.

Dated

Jerry E. Williams
Chief Information Officer

HUD/H-5

System name: Single Family Computerized Homes Underwriting Management System (CHUMS).

System location: HUD Headquarters and Single Family Homeownership Centers in Atlanta, Denver, Philadelphia, and Santa Ana.

Categories of individuals covered by the system: Individuals who have obtained a mortgage insured under HUD/FHA's single family mortgage insurance programs and individuals who unsuccessfully applied for an insured mortgage. Also, individuals involved in the HUD/FHA single-family underwriting process (builders, fee appraisers, fee inspectors, mortgagee staff appraisers, mortgagee staff underwriters) and HUD employees involved in the single family underwriting process (e.g., staff appraisers, staff mortgage credit examiners, architectural employees, receiving clerks, assignment clerks, commitment clerks, records clerks, and closing clerks).

Categories of records in the system: Automated files contain name, address, Social Security Number or other identification number; racial/ethnic background, if disclosed, of the mortgagor and information about the mortgage loan. These records also contain the name, address, Social Security Number or other identification number, territory, workload, and minority data (including racial/ethnic background, Minority Business Enterprise (MBE) Code, and sex, for statistical tracking purposes) of builders, fee appraisers, and fee inspectors. These records will further contain the name and

identifying number of each mortgagee staff appraiser and each mortgagee staff underwriter and the territory and workload of those individuals. Additionally, the automated files contain identification (name and social security or other identifying number) of HUD employees involved in the single family underwriting process (Homeownership Center managers, staff appraisers, architectural employees, receiving clerks, assignment clerks, commitment clerks, records clerks, and closing clerks).

Authority for maintenance of the system: Section 203, National Housing Act, Pub. L. 73-479. The information collection enables HUD/FHA to process applications for HUD mortgage insurance and respond to inquiries regarding applications and insured mortgages.

Purposes: The Computerized Homes Underwriting Management System supports Housing staff in the processing of single family mortgage insurance applications, from initial receipt through endorsement. F17/CHUMS processes loans for first time homebuyers, Home Equity Conversion Mortgages (HECM), Section 203(k) for the rehabilitation of existing properties, VA Certified FHA loans and other programs. F17/CHUMS also provides automated assistance in appraisal, mortgage credit evaluation, and FHA's TOTAL Scorecard, a standardized credit assessment tool. It supports the conditional commitment process from the Mortgagee's request for property appraisal through issuance of a conditional commitment, firm commitment, endorsement, and the automated production of the Mortgage Insurance Certificate.

Routine uses of records maintained in the system, including categories of users and the purposes of such uses: In addition to those disclosures generally permitted under 5

U.S.C. 552a(b) of the Privacy Act other routine uses include: (a) To other agencies; such as, Departments of Agriculture, Education and Veterans Affairs, and the Small Business Administration--for use of HUD's Credit Alert Interactive Voice Response System (CAIVRS) to prescreen applicants for loans or loans guaranteed by the Federal Government to ascertain if the applicant is delinquent in paying a debt owed to or insured by the Government. (b) To the FBI to investigate possible fraud revealed in underwriting, insuring or monitoring. (c) To Department of Justice for prosecution of fraud revealed in underwriting, insuring or monitoring. (d) To General Accounting Office (GAO) for audit purposes. (e) To other federal agencies, including the Federal Reserve, and to financial institutions and computer software companies for automated underwriting, credit scoring and other risk management evaluation studies. (f) To other federal agencies, including the Federal Reserve, for purposes of statistical research, not involving personally identifiable information, to evaluation program effectiveness in meeting the United States Department of Housing and Urban Development/FHA's mission and to inform policy makers on changes to effect program improvements. If the Department suspects or has confirmed that the security or confidentiality of information in the system of records has been compromised; or if the Department has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by the HUD or another agency or entity) that rely upon the compromised information; than the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the HUD's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

Storage: Records are stored on magnetic tape/disc/drum.

Retrievability: Records are retrieved by name, Social Security Number or other identification number.

Safeguards: Automated records are maintained in secured areas. Access is limited to authorized personnel.

Retention and disposal: Computerized records of insured cases are retained for 10 years and those on rejected cases are retained for 3 years.

System manager(s) and address: Director, Home Mortgage Insurance Division, HUAH, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410.

Notification procedure: For information, assistance, or inquiry about the existence of records, contact the Privacy Act Officer at the Department of Housing and Urban Development, 451 7th Street S.W., Washington, D.C. Written requests must include the full name, Social Security Number, date of birth, current address, and telephone number of the individual making the request.

Record access procedures: The Department's rules for providing access to records to the individual concerned appear in 24 CFR part 16. If additional information or assistance is

required, contact the Privacy Act Officer at the appropriate location. A list of all locations is given in appendix A.

Contesting record procedures: Include the following standard language: Procedures for the amendment or correction of records, and for applicants want to appeal initial agency determination appear in 24 CFR part 16. If additional information or assistance is needed, it may be obtained by contacting: (i) In relation to contesting contents of records, the Privacy Act Officer at the appropriate location. A list of all locations is given in appendix A; (ii) in relation to appeals of initial denials, the HUD Departmental Privacy Appeals Officer, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410.

Record source categories: Mortgagors, appraisers, inspectors, builders, mortgagee staff appraisers, mortgagee staff underwriters, and HUD employees.

Exemptions for certain provisions of the act: None.